

## STATE OF THE UNIVERSITY SPEECH, 2-28-2013

- Good afternoon.
- We are in the midst of the perfect storm for higher education.
- Like all land grant, top-tier public research universities, at the University of Minnesota the economic crisis fueled severe budget cuts and drove tuition and student debt increases.
- The scarcity of jobs for some college graduates—here and nationally—has also driven heightened public angst and demagoguery about the value of a college education.
- But, to me, even in the face of these very real concerns, much of the public conversation about higher education feels like a kneejerk reaction, or worse.
- All sorts of ideas are flying around to allegedly improve higher education.
- For example, in December, Florida's governor suggested that students should pay MORE to earn an English degree than to earn an engineering degree.
- Here's the theory, as best as I understand it.
- By adopting a "market driven" approach, the state aims to encourage more students to study engineering (for

example) because humanities and liberal arts graduates simply won't bring as much value to employers, or won't even have a chance to enter the job market at all.

- Similarly, a member of Congress recently proposed to cut federal funding for the social sciences, citing the low return of such studies.
- To these proposals and similar ideas, I say, nonsense.
- Every day, Minnesota CEOs tell me that they need college graduates who are critical thinkers, clear writers, and are multilingual.
- To compete in an increasingly diverse state and rapidly changing economy, employers need to hire young people who can communicate well, work effectively in groups and across cultures, have global experience, and who can bring an interdisciplinary perspective to problem solving.

It's easy to toss out so-called "bold ideas."

- And — don't get me wrong — we need bold ideas. We need to embrace change, reward innovation, and try new teaching models.

- But we need ideas that work for the University of Minnesota, and for our state. We need to embrace change the Minnesota Way.
- No state has quite as distinctive a culture of innovation as we do, no comparable responsible business leadership, and no historic commitment to education as ours.
- Historically, Minnesota has been a leader of reform.
- In that, we can claim a certain, humble kind of above-average exceptionalism.
- From farmer cooperatives in the late 1800s to ensuring health care for the working poor in the early '90s, to delivering the nation's highest voter turnout year after year after year Minnesota has led, not lagged.
- This University also has a rich history of forging a uniquely Minnesota Way of doing things.
- This year, we're celebrating 100 years of shared governance and 150 years of our great land grant mission.

- From American Studies, to economic theory, to informatics, to chemical engineering, we've broken new frontiers in the disciplines.
- Be it bringing civility to the political arena at the Humphrey School, or preparing tribal leaders through University of Minnesota Duluth's unique Master's Program, or starting an innovative new campus in Rochester, we are responsive to the needs of the people of Minnesota.
- So, as we face our future — next year, next decade, next century — I want us to meet it **NOT** by chasing every new idea and not with flamboyance.
- I want us to move into the future on the path that's right for us, with the common good of the state and our students as priorities.

[PAUSE]

- I'll talk in a few minutes about elements of our University's way forward, and the directions and work we need to do together.
- But, first, I'd like to acknowledge Regents Cohen, Larson, Beeson, Brod, Devine, Hung, Johnson, Ramirez and Simmons.
- Thank you for being here.
- Regent McMillan, thanks for watching with our students at UMD.
- Thank you all for your support, which I deeply appreciate.
- To our faculty and staff across all of our campuses, from Morris to Duluth, from Crookston to Rochester, thank you for joining in today, and for your important and hard work over the past year.
- To our students, thank you for bringing such energy to this University.

**PAUSE**

- Which leads to this personal note ...
- Following these remarks, I will take questions, and already some have been submitted online.
- To submit other questions, you can go to Twitter and direct them to — HASHTAG — **U-M-N-S-O-T-U**
- I want to jump the gun a bit because one question particularly struck me.
- Someone asked, in part, “At a time when it is not easy to find good news about higher education, where can we find inspiration? ... Put another way, ‘What inspires you to come to work every day?’ ”
- Well, first, I **DO** like to come to work in the morning, and all the other parts of the day, too!
- I like it because I truly believe in the mission of this great University.

- Our ability to change lives and make the world better is amazing.
- Maybe that sounds trite, but it is something that holds me in awe, and I hope it does you, too.
- I can't imagine more important work, and I feel privileged to have the job I have.
- When I see the ideal University of Minnesota, I see a place of great hope, great opportunity, and great achievement.
- It is a place that should be accessible to all, but one where excellence is the norm.
- It should be a place that is a pathway to a better life for our students, but one where the best students in Minnesota are challenged, and where the best faculty and staff in the world want to be.
- That goal drives me every day.

**[ PAUSE ACCOMPLISHMENTS ]**

- By all measures, this is a great university, one of the nation's best, and an incredible place and community, whether that community is in Crookston or Duluth, Morris or Rochester, or right here in the Twin Cities.
- Across the board, we have remarkable world-class excellence.
- I know, we're not perfect, but our flaws are not fatal, and the state of the University of Minnesota is strong.
- We've accomplished much together in the past year.
- A commitment to affordability and access for our students — combined with excellence in all we do — remain my highest priorities.
- As you know, in our budget request, we've proposed to renew the partnership with the state for a two-year timeout on tuition for Minnesota undergraduates on all of our campuses.



- Last year, we adopted the smallest percentage tuition increase in a dozen years.
- I won't be speaking much about our Legislative request today, but — believe me — we are fighting hard for that zero tuition increase right now.
- We need to keep the public in public higher education.
- We need the citizens of our state to renew their partnership with us in a way that helps to drive Minnesota's prosperity.
- In return, we must—and we can—demonstrate the exceptional and irreplaceable value the people of Minnesota get from that investment.
- That includes investing in cutting-edge research, which drives Minnesota's innovation and discovery culture.
- Our MnDRIVE proposal to advance scientific innovations in food, water quality, robotics, and brain disorders

focuses on the needs of our citizens, our business community and, even, the emergence of new industries.

- **Minnesotans cannot afford NOT to invest in research and innovation.**
- This morning the state's budget forecast was released and .... XXXXX
- In addition to advancing our twin goals of excellence and access, we've achieved a great deal in the past year:
- I said I wanted us to establish entrepreneurial leaves for faculty, and the Regents approved that. with the program beginning this fall.
- I have heard that a few faculty members have expressed interest to date, but I encourage you all to think about this opportunity.
- I proposed making better use of our facilities and faculty capacity on the Twin Cities campus during the summer,

and we recently announced a pilot program in the College of Design to do just that.

- I urged us to bring our expertise and research to the forefront to help close Minnesota's achievement gap among our youngest citizens.
- We've done that by asking our College of Education and Human Development and the new Campbell Leadership Chair Professor Michael Rodriguez to help coordinate and lead this work across the University and with our communities.
- In the Twin Cities, a group of civic and business leaders launched Generation Next, a broad-based partnership to tackle the achievement and opportunity gap.
- Representing the University's commitment, I am the co-chair of that.
- To drive our diversity agenda, I committed to maintaining leadership of the Office for Equity and Diversity at a vice

presidential level and, after a national search, we have found absolutely the right person.

- We are delighted that Katrice Albert, who is currently at Louisiana State University, will join us later this year.
- This year we opened Huntley House, a first-of-its-kind living-learning program for African-American men on the Twin Cities campus.
- I set aside funds to hire faculty, filling some of the positions left open during the years of severe budget reductions and to meet strategic goals.
- To date, we have hired 92 full-time faculty members systemwide.
- To advance teaching and learning, I vowed to invest in e-learning.
- As you know, our Crookston campus was a pioneer in distance learning and — let's not forget — the first in the

nation to supply laptops to our students way back in 1993.

- But, now we're in the 21<sup>st</sup> Century, and—at least on the Twin Cities campus—we need a modern, coherent strategy and to bring technology to the classroom, modernize our distance offerings and to test new models, including MOOCs.
- We announced last week our partnership with Coursera.
- In CEHD, we're pioneering the use of iPads to enhance teaching and learning.
- What we learn there can inform the strategy at other colleges.
- These are just first steps in the development of a comprehensive e-learning strategy being led by Provost Hanson.
- I think it's clear that the question and challenge of the time is how elearning — and other innovations on the horizon — will impact what we do.

- As for me, I don't believe that digital learning or MOOCs are a silver bullet for achieving cost-savings, access or academic excellence.
- Carlson School Dean Sri Zaheer speaks eloquently on this topic, calling MOOCs and other trendy techniques the "Big Mac" of higher education.
- That is, a product that is brought to scale to quickly to feed a need.
- But, she asks: "What nourishment are you missing out on when you get the Big Mac instead of the three-course meal?"
- To me, there is a massive educational difference between the fast food option and what Dean Zaheer calls the slow food approach.
- In the slow food model, the chefs – our faculty -- still use all the digital technologies available, but we retain the

master teacher, who, face-to-face, can inspire our students.

- **MOST IMPORTANTLY**, I want this first step with Coursera to galvanize your creativity and to jumpstart your ideas for using elearning on all of our campuses.
- On other accomplishments, after 75 years, we merged the University of Minnesota Foundation and the Minnesota Medical Foundation to better serve our donors, who contributed nearly a quarter billion dollars last year.
- We are in demand, with more than 42,000 applicants to our Twin Cities campus, a record, and with applications up to all of our campuses.
- Our first-year retention rates are excellent systemwide, but are now at 91 percent on the Twin Cities campus.
- Our four-year graduation rates are up on all of our campuses.
- We must be doing **SOMETHING** right.

### [OP-EX-PAUSE]

- This past year, we made great progress on Operational Excellence.
- I just know that Op-Ex is **EVERYONE's** favorite topic, and, **yes**, here I go again!
- But I think this is exciting, and I **know** it is fundamentally important and necessary for our future.
- It is our way of doing business—to reduce costs, and improve efficiency as one University.
- It is not only that students, parents, and Minnesotans who help support this University are demanding it. It's the right thing to do.
- We need to drive administrative costs down and demonstrate exceptional stewardship of our precious



resources: state and tuition dollars, and federal and private grant funding.

- When we do that we are able to invest more in our core mission: teaching, research and public engagement.
- We are better able to support you: our students, our faculty and our staff.
- That is why we do this work.
- We've done a lot, but we must – and we will – do more.
- Right now we are in the midst of analyzing our organizational structure to learn if and how we can be more efficient.
- The Libraries have already completed a similar analysis and achieved tremendous impact:
- By examining each job, the Libraries were able to reduce by 43 percent the number of supervisors with fewer than five direct reports.

- They achieved a 22 percent reduction in the number of supervisors overall.
- At the same time they implemented an intensive manager training program to improve operations and align people and resources with current priorities.
- If the Libraries can have such a positive impact with 330 employees, imagine the opportunity systemwide with 19,000 employees.
- I'm not saying we'll get the exact same results, but it certainly suggests an meaningful opportunity.
- When we get the results of our current analysis, any decisions we make about our organizational structure will be thoughtful, fair, transparent and equitable.
- We are also benchmarking ourselves in the key operational areas: finance, human resources, information technology and purchasing.
- We want to see how our practices and costs stack up against peer institutions.
- In our Office of Information Technology, our partnership

with Google and server consolidation initiatives have resulted in \$15 million a year in cost savings.

- With these savings, Vice President Scott Studham has been able to invest an additional \$3 million in academic technology support for faculty projects such as MOOCs, and helping faculty integrate new technologies into their courses.
- We consolidated the Offices of Academic Administration and Bursar, reducing our annual costs by \$2.2 million, while also tightening the reporting lines of our systemwide Chancellors directly to me.
- We've looked across the country and at what others are doing.
- And, as is the Minnesota Way, in many areas we're out ahead on this, too.
- The University of Texas at Austin, a great public university, recently released a report called "Smarter Systems For a Greater UT."

- We read that report.
- Their cost-saving initiatives include: energy savings and sustainability.
- We've been working on that for years, with our Morris campus a national leader.
- And we've been saving more than \$5.6 million annually on energy conservation and building decommissioning on the Twin Cities campus.
- UT wants to improve its technology commercialization operation to generate additional revenue.
- We've done that.
- The U is now a leader on tech transfer, our MN-IP intellectual property program has been a success and recognized by the U.S. Department of Commerce and the White House last year.

- UT wants to consolidate reporting lines and services in human resources and information technology, among other things.
- We're already doing THAT.
- So, we're executing Op-Ex thoughtfully, but at pace I like.

### PAUSE

- Finally, we've made great progress forging the future of the Academic Health Center.
- Last year in my State of the University address, I said we would complete an external review of the AHC to increase its national prominence, strengthen our health sciences, and move the Medical School forward.
- We did that.
- The review was helpful, and a faculty-led Medical School strategic planning effort is underway.

- This plan is designed to set priorities, achieve better alignment across departments, and give the Medical School the “north star” its faculty and staff desires.
- Vice President for Health Sciences and Dean of the Medical School Aaron Friedman has decided to step down at the end of the calendar year, and I thank him for his service.
- This is a critical role and an important member of my senior leadership team.
- We have launched the search for Dr. Friedman’s successor.
- I am seeking an exceptional leader with a global vision to ensure the University of Minnesota is a leader locally, regionally and nationally in meeting the challenges of our changing healthcare landscape.
- While none of us knows for sure how health care reform will change our current system, there is strong consensus about a few things:

- Keeping people healthy will be more important than ever.
  - That care will more often be provided in community settings by a team of health care professionals
  - Health systems will consolidate and high end care will similarly consolidate at regional or national centers of excellence
  - Basic and clinical research will be used to drive optimal outcomes
  - And, health care will be more consumer and patient-centric.
- Looking at this future, it's clear that the University of Minnesota's Academic Health Center is poised to meet this challenge.
  - Already, seventy percent of all the health sciences professionals working in this state are University graduates,
    - and that will only grow as our Rochester campus continues its unique role of preparing a new breed of health professionals

- and will graduate its first class this spring.
- The University has one of the most comprehensive academic medical centers in the nation.
- With six health sciences schools, we're already training students to work in medical teams that include physicians, pharmacists, nurses, and dentists, and to integrate traditional and holistic healing.
- We are leaders in interprofessional education with the only national center dedicated to doing this right.
- Our family medicine and rural health programs are already training the next generation of physicians dedicated to promoting health and wellness among underserved populations.
- Our researchers and physicians are already bringing the latest in medical science to the bedside to heal our patients more effectively, and to prevent and cure illnesses.



- To advance this vision, our conversations with our partner, Fairview, continue.
- We want to forge a truly integrated pre-eminent health system that includes
  - strong community-based hospitals,
  - a flagship academic health center,
  - exceptional patient and clinical care,
  - breakthrough research,
  - a national reputation,
  - and a strong connection to our communities.
- We're working hard to make that to happen.
- So, we've done a lot together this past year.
- It's been a very good year, and I thank you.
- Now, here's where I'd like us to go in the next 12 months.
- In July I will have completed two years at the University.

- The majority of a new senior leadership team will be in place, and we will know where our state allocation sits.
- I believe the time is ripe this year to develop a new strategic plan to guide the next generation of decisions.
- The planning will have a least three major components:
  - examining our classroom and other teaching,
  - our research endeavors,
  - and how we deliver our mission to Minnesota and the world beyond.
- I expect the plan to guide priority setting and create greater alignment and accountability across the University system.
- I want a process that is transparent and engaging to create shared purpose, but I want to avoid being bogged down.
- It won't take a year, and we don't need to form scores of committees.
- Over the next few months, I will work with my senior management team to develop the planning process with a goal of launching it in the fall.

- Let me turn to graduate education.
- It is imperative that we maintain excellence in our graduate programs.
- I came here as a graduate student and I am not about to let our graduate programs slip in terms of their national reputation.
- We need strong, competitively-funded programs to attract the best graduate students in the world.
- Provost Hanson is partnering with deans and faculty leaders on the Twin Cities campus to devise a long-term, sustainable plan for recruitment and support of the very best graduate and professional students.
- As a first step, we are increasing funding for graduate students.
- We've reallocated \$500,000 to fund additional graduate fellowships.
- It's not enough, but it's a step in the right direction.

- Three years ago, we embarked on an experiment to change the way we managed our graduate programs.
- We gave the colleges resources, authority and local control.
- We've learned a lot in three years.
- Now, I think it's time to take a look at what has worked and to make recommendations for improvements.
- It's time for what I've started to call "Graduate School 2-point-oh."
- I am asking Provost Hanson and Vice Provost and Dean of the Graduate School Henning Schroeder to convene a committee to lead this review and report its findings and recommendations to me.
- Meanwhile, on the research front, when I talk with faculty I consistently hear that we make it difficult, if not impossible, to do the kind of interdisciplinary work—not just across our campuses, but across colleges on the Twin Cities Campus— that defines the cutting edge of most

fields and that is critical to solving most of today's problems.

- When I report that to the deans, they tell me that we can do it, but maybe the budget model gets in the way.
- That must change.
- Our new Vice President for Research Brian Herman has begun a strategic planning process for his office that will be very consultative, and he wants to promote collaboration between researchers in all disciplines and to increase public-private partnerships.
- I strongly support that.
- So today I am asking Provost Hanson and Vice President Herman to develop recommendations for facilitating more interdisciplinary teaching and research.
- You know I've been on a quest to "free" our organization from unnecessary burden – that which we impose on ourselves because we have a low tolerance for risk, or

because we're afraid a misdeed of two decades ago will happen again.

- We must continue to recalibrate our risk tolerance.
- That means we must look at our own internal policies and ask the question – do they meet – or do they exceed – legal or regulatory requirements?
- If they are excessively burdensome, going beyond what the feds or other entities requires us to do, we should change them...or at least make an intentional decision not to!
- Today, I'm asking each Vice President and each policy owner to review their policies through this lens.
- I know this needs to be a thoughtful process, but that's the bar I'm asking you to use.

- On another very important matter, when it comes to excellence at the University, nothing matters more than our faculty and staff.
- We are a people-heavy organization and if we don't get it right with you, we won't get it right with our students.
- That's why I'm pleased today to announce that we will soon roll out a comprehensive employee engagement strategy.
- I deeply believe we must create an inclusive and empowering workplace for all faculty and staff.
- We need to give people the freedom and support they need to do their jobs well.
- And, we need to hold them accountable when they don't.
- I want everyone to love coming to work as much as I do!
- You will see a new annual employee engagement survey this fall, and we want to promote that "employment brand" to successfully recruit the nation's and world's best employees.

- Finally, while I try my best to get out and meet students on a regular basis, sometimes that's hard.
- I miss being around students. I want to see more of them.
- It's important to know their concerns and I feed off of their wonderful curiosity.
- So, I'm going to start holding office hours for students on all of our campuses.
- As my schedule allows, they will occur monthly on our Twin Cities campus, but I have plans to visit the Crookston, Duluth and Morris campuses in the coming months, and I will meet with students during my days there.
- I look forward to those conversations.
- In closing, earlier this month, I was at the Capitol in St. Paul to testify before the Senate Higher Education Committee.



- I was joined by three students, four faculty members and a leader of the Minnesota business community.
- The students, with their energy and optimism, told the Senators of their dreams, and how the University has helped them achieve them.
- The faculty members spoke of their discoveries and, with excitement, what's next on the University's innovation agenda.
- The business leader detailed to the Senate panel how important our graduates and our research are to his industry, and others.
- Here's what I saw.
- When we display the energy of our students, the genius of our faculty, and the impact on the state's prosperity ... when we fight for this University, we can help to put an end to the negative nonsensical narrative that higher education is somehow losing its worth.

- In fact, our value—and our ROI— is greater than ever.
- The tenets of our Minnesota traditions — of serving the common good in a socially responsible way — are more important than ever.
- The exceptional Minnesota Way must guide us on a smart, steady road.
- With what we do here now, we can ensure that the state of the University of Minnesota remains vibrant, relevant, efficient, global and diverse into next year, and into the next decade.
- In our own way, we must proudly fight for that.
- Thank you.